



Attraction of Investment in Agriculture of Kazakhstan

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Abstract

Characteristic for conditions competition increase in the market of the investments, interfaced to world financial crisis, makes superrigid demands to investment decisions. In similar conditions the exit on the capital markets is one of the key advantages, providing to the enterprises their further development. Attraction of investments is interfaced to a number of difficulties. In connection with shortage of own means for financing of investment activity of the organizations by the basic source of financing there was an extra financing. Necessity of considerable volume of financial resources on development of investment projects does their attraction by a paramount problem of the enterprises-borrowers. Availability of credit sources of financing is limited both because of the high price of the extra capital, and owing to inability of the enterprises-borrowers to interest potential creditors in realization of investment projects. It causes necessity of an economic justification of efficiency and appeal of investment investments. Only having defined, what concrete parameters the company should possess, and having developed concrete ways and indicators of achievement of these parameters, it is possible in modern conditions effectively to develop business. Such aspiration creates investment appeal and is realized by means of basic tools considered in given work.

Keywords: Investment, agriculture, planning, enterprises

Introduction

Process of attraction of investments by the enterprises is characterized by a weak level of scrutiny non-financial, influencing investment appeal and efficiency of the organizations-borrowers, thereby reducing probability of reception of credit resources and worsening their conditions.

In this connection pressing questions in research of process of attraction are a problem of an economic justification of efficiency of investment investments in the enterprises, and also development of

methodical recommendations about increase of their investment appeal.

Realization of investment policy in agrarian sector depends from a condition of the theoretical base considering specifics of branch and a complex feature of attraction of investments and manifestation of their efficiency in modern conditions. Dobrynin (2000), Komarov (2001), Agirbov (2002), etc. are engaged in research of these and other aspects of a problem. In works of these authors theoretical and methodical provisions, experience and the directions of investment activity are systematized and generalized. However, scientific and methodical approaches to development and the analysis, justification and an assessment

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of investment processes in modern conditions, the directions and forms of the state support are studied insufficiently. Further development of questions of investment of agriculture taking into account ash value, national specifics, requirements of the market, research of factors and ways of increase of efficiency of investments is necessary. The especial contribution to development of the given direction have brought world rating agencies, such as Standard and Poor's, Moody's Investors Service and Fitch Ratings to an estimation of risk of investment investments.

Thus, on the basis of long-term researches in the economic literature scientific bases of

investment activity, estimations of investment potential and a climate are reflected, rich practice of investment designing and an estimation of efficiency of investment investments is generalized.

Over the past two decades Kazakhstan has achieved prominent results in transformation of economy. There has been created more transparent and less regulated, market-oriented business and social environment attractive for investors. Today the investment policy in the Republic of Kazakhstan have own features. SWOT analysis of the investment policy in the Republic of Kazakhstan is given below.

Table 1: SWOT-Analysis of investment attraction in Kazakhstan

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Favorable business environment of the country sustained by economic and political stability. 2. High investment attractiveness of the country due to rich natural and mineral resources. 3. Favorable geographic position of Kazakhstan in proximity to major consumer markets of Central and Western Asia, Russia, India and China. 4. Consciousness of state investment policy priority. 5. Establishing specialized institutes and a resource base focused on facilitating investment inflow. 	<ol style="list-style-type: none"> 1. Lack of a systematic approach for holding state investment policy. 2. Instable national legislation and a lack of mechanisms for law and contractual relationship observance. 3. Poor competitive conditions for investment attraction (customs and exchange arrangements). 4. Undeveloped infrastructure for investment attraction (special zones, financial, bank, information and analytical, consulting, transport infrastructure etc). 5. Instable system of public administration related to investment attraction. 6. Visa regime.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Position of a regional leader for investment attraction volume. 2. Creating a positive investment image of the country in the international capital markets. 3. Building a systematic and consistent policy for investment attraction. 4. Forming an effective state and private infrastructure for investment attraction. 5. Ensuring a sustainable and balanced economic growth of the country through redistribution of investments from extractive to processing economic sector. 	<ol style="list-style-type: none"> 1. Loss of investment attractiveness of the country resulted from raw material base depletion. 2. Retained high-risk economy due to retained primary product disproportion in the economy and investments. 3. Loss of available industrial potential for development of the country due to poor investments to capital stock. 4. Strengthening a negative investment image of the country resulted from a lack of a clear-cut state policy and its implementation for investment attraction. 5. Direct losses from the state budget due to ineffective usage of funds for investment attraction.

In the Republic of Kazakhstan prevailing sources of financing of investments into fixed capital of branch are own funds from investors (78, 3% of the total amount of investments). In a total amount of investments into fixed capital in agriculture of Kazakhstan the greatest investments fall on investment in cultivation of seasonal

cultures (65, 8%) and animal husbandry (26, 7%).

Analyzing a condition of investments in the agriculture now, it should be noted that the fixed capital of agriculture of the country past year was increased by 22% in 2013 year and reached 133 billion tenge. (table 2)

Table 2: The investments into fixed capital of the agriculture in the country (tenge)

Areas	Investments into fixed capital	A percentage
Akmola	25270000	19
Aktobe	1995000	1,5
Almaty	13300000	10
Atirau	16226000	12,2
East Kazakhstan	2660000	2
Zhambyl	4921000	3,7
West Kazakhstan	5985000	4,5
Karaganda	13965000	10,5
Kostanay	32053000	24,1
Mangstau	798000	0,6
Pavlodar	1596000	1,2
South Kazakhstan	14231000	10,7
Total	133000000	100

As we see from table 2, the greatest volumes of investment were aimed at the development of agriculture of Kostanay (24, 1%) and Akmola (19, 0%) areas.

The developed economic conditions don't contain in Kazakhstan while real prerequisites for self-regulation of investment processes of agriculture. Need to pass to purposeful state regulation of activation of the investment process, capable to organize steady investment process and an intersectoral modulation of the capital in scales of branches and regions of Kazakhstan. The active investment policy of the government which has to pay a close attention to formation of the relevant investment structure of the market is necessary for the steady growth of economy.

Methodology

The purpose of research consists in development of theoretical and methodological positions, and also working

out of methodical recommendations about formation of investment appeal of the enterprises-borrowers and development of means of its increase for attraction of investments into agriculture.

Object in view achievement is defined by the decision of the following set of logically interconnected scientific problems:

- To define importance of extra financing in system of sources of financing of investments into agriculture;
- To reveal problems of attraction of investments of credit institutions;
- To investigate principles of an estimation of investment appeal of the enterprise-borrower;
- To analyze techniques of an estimation of a rating of investment reliability of credit institutions, applicable to the Russian enterprises-borrowers;
- To define a set non-financial, influencing investment appeal of the enterprise-borrower;

- To appropriate weight values to not financial indicators, influencing the general rating of investment reliability;
 - To prove the chosen structure of the analysis of the enterprise-borrower for the purpose of assignment to it of a rating of investment reliability;
 - To generate algorithm for an estimation of a financial and not financial component of risk not return of investments of the enterprise-borrower;
- On the basis of the formulated algorithm to develop tools of increase of investment appeal.

As object of research the agricultural enterprises are considered.

Object of research are the organizational-economic relations arising at formation of investment appeal of the enterprises-borrowers.

As theoretical and methodological basis of research methodological principles, theoretical positions and the conclusions containing in fundamental and applied researches of domestic and foreign authors under the theory of investments have served, to investment planning and the analysis, rating estimation of investment reliability of the enterprises, the theory and practice of formation of investment appeal.

For the decision of tasks in view research is planned to carry out with application of the system approach, scientific abstraction, classification, grouping, ranging, comparison, the analysis and synthesis, analogies. As methodology of researches in work methods of researches, methods of the system and comparative analysis, with application of the economic analysis will be used dialectic, is abstract-logic, statistical, functional, including: methods of an estimation of investment reliability of the enterprise-borrower, a rating estimation, an expert estimation, etc.

Use of the specified methods will allow to prove the complex approach, will give the chance to study a role of investment appeal of the enterprise, to estimate its influence on the rating of investment reliability appropriated by banks. The basic methods of research will be offered - comparative, index, analytical, system-structural and a method of expert estimations.

Set of used methodological base will allow providing finally reliability and validity of conclusions and practical decisions.

As information base of researches the official data of the state statistics, is standard-methodical documents, methodical materials of commercial banks, the data of leading rating agencies (Moody, s, Standard and Poor, s, Fitch, Expert PA), materials of scientifically-economic periodicals, resources of a global network the Internet, and also materials of domestic and foreign periodicals on the given problematic will serve.

Scientific novelty of research consists in working out of new methodical recommendations about formation of investment appeal of the agricultural enterprises-borrowers and perfection of process of attraction of bank investments by them.

Conclusion

The most essential scientific results consist in the following:

- To define the factors increasing investment appeal of borrowers;
- To offer algorithm of definition of a rating of investment reliability of the enterprise-borrower, providing use of a method of the complex estimation which are based on system of financial and not financial indicators, allowing to estimate investment appeal of the enterprise-borrower;
- To prove that for increase of an investment rating of the enterprise-borrower

at attraction of bank investments should be considered not only the financial components defined by indicators of profit, profitability, profitableness, liquidity;

- To define not financial components of bank rating estimations of investment reliability of the enterprises-borrowers and their weight values of influence on total of investment appeal of the enterprise-borrower are received;
- To generate algorithm of an estimation banks of an investment rating of the enterprise-borrower, providing a multiple-factor estimation of system of indicators both financial, and not financial with the scales appropriated by it;
- To define influence of investment appeal of the enterprise-borrower on conditions of attraction of investments;
- To develop methodical recommendations about increase of investment appeal of the

enterprises-borrowers, allowing within the limits of corresponding plans it is essential to influence a rating of investment reliability of the enterprise-borrower and, thereby, to raise probability of attraction of investment means of bank sector.

For the account, the analysis, planning and increase of efficiency of investments, a choice of objects their scientifically reasonable classification is necessary for financing. Thought over and in the scientific plan reasonable classification of investments allows not only considering competently them, but also comprehensively to analyze level of their use, receiving on this basis objective information for development and realization of effective investment policy. (Figure 1).

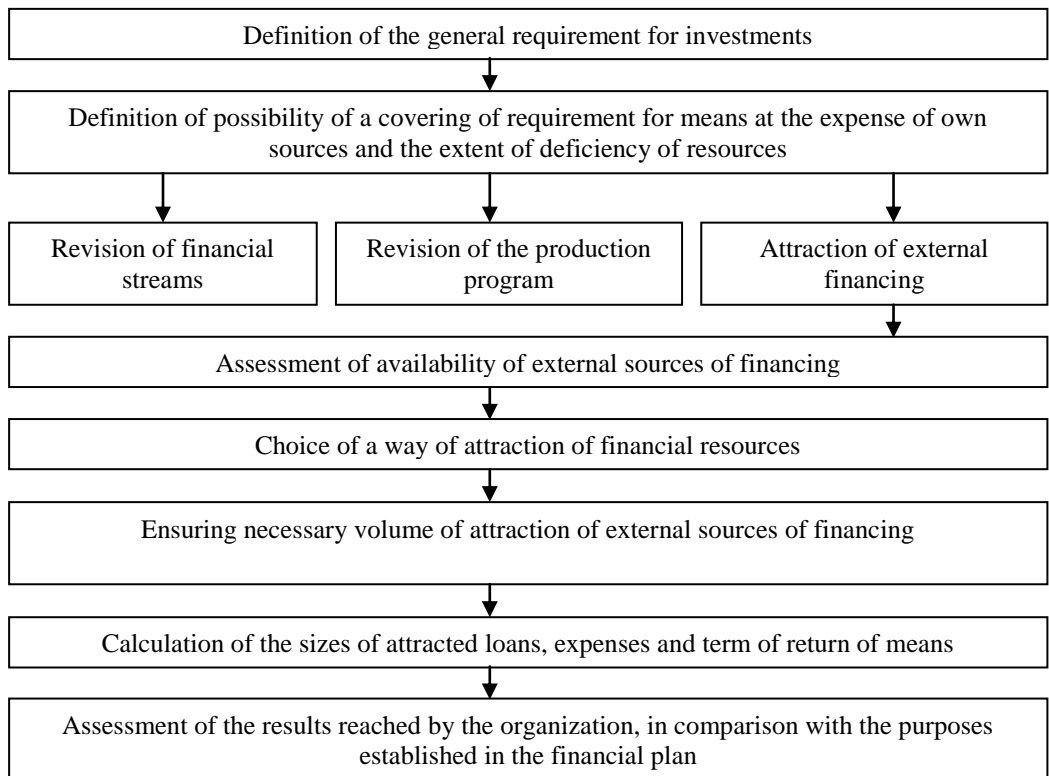


Figure 1: Definition of the general requirement for investments

Revival of investment process in Kazakhstan has to happen first of all at the expense of internal resources, and foreign investments should assign only a supporting part because of small volume and low мобильности.структуры the market. Active intervention of the state will accelerate the solution of global economic tasks in Kazakhstan.

Thus, having defined concrete indicators of achievement of investment appeal, it is possible in modern conditions effectively and rationally to attract resources, reducing cost and increasing term of loans that in turn promotes development of business and increases its profitability. Such aspiration creates investment appeal and is realized by means of considered, in this dissertation work, the main tools.

The practical importance of work consists that results of research can be used the

enterprises with a view of formation and increase of investment appeal with the help нефинансовых, influencing a total rating of investment reliability of the enterprises-borrowers at attraction of investments of bank sector. The obtained data also can be used the enterprises-borrowers with a view of management of the investment reliability and as consequence of investment appeal.

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